

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: RHYTHMS LINKS INC.	DOCKET NO. TCU-99-20
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ORDER GRANTING APPLICATION AND REQUESTS FOR WAIVER

(Issued August 19, 1999)

On June 22, 1999, Rhythms Links Inc., f/k/a ACI Corp. (Rhythms), filed an application for issuance of a certificate of public convenience and necessity, pursuant to IOWA CODE § 476.29 (1999). On July 23, 1999, Rhythms filed a supplement to its application. Rhythms intends to provide facilities-based and resold local exchange service in the exchanges currently served by U S West Communications, Inc., and GTE Midwest Incorporated. Rhythms intends to make available a 2-PIC methodology for dialing parity. A notice was sent to a service list of affected parties and no objections were filed.

IOWA CODE § 476.29(2) (1999) provides that the local exchange carrier shall not be denied a certificate if the Utilities Board (Board) finds that the applicant "possesses the technical, financial, and managerial ability to provide the service it proposes to render and the board finds the service is consistent with public interest." The Board has carefully reviewed Rhythms' application and finds Rhythms has demonstrated that it has the necessary technical, financial, and managerial ability to

provide local exchange service. It is in the public interest to grant a certificate to Rhythms.

Rhythms requested the Board waive the requirements of three of the Board's rules. First, Rhythms sought a waiver of IOWA ADMIN. CODE 199-16.5(2) that requires utilities to maintain accounts pursuant to a modified version of the system of accounts. Rhythms stated it would maintain its records in accordance with generally-accepted accounting principles. Rhythms also requested the Board grant a waiver of IOWA ADMIN. CODE 199-18.2 that requires it to maintain its records within the state. Rhythms stated it wished to maintain its records at its offices in Colorado and will promptly make its records available to the Board. Finally, Rhythms asked the Board to grant it a waiver of IOWA ADMIN. CODE 199-22.3(1) which requires that it publish a directory.

The Board finds it reasonable to grant Rhythms' requests for waiver. Based on the nature of the local exchange service Rhythms will provide, none of these requirements are appropriate at this time. The Board will be able to adequately review its records if it becomes necessary. Until or unless Rhythms serves a very large number of customers, it is unnecessary to publish a separate directory in Iowa.

IT IS THEREFORE ORDERED:

1. The application for a certificate of public convenience and necessity filed by Rhythms Links, Inc., f/k/a ACI Corp., on June 22, 1999, is granted, subject to the requirements that follow.

2. At the time Rhythms files tariffs and service area maps with the Board, it must give notice to all affected local exchange carriers. Upon approval of service area maps and tariffs to reflect the prices, terms, and conditions of local exchange service in Iowa offered by Rhythms, the Board will issue a certificate of public convenience and necessity allowing Rhythms to provide local exchange service in Iowa.

3. The request for waiver of IOWA ADMIN. CODE 199-16.5(2), 18.2, and 22.3(1) is granted.

UTILITIES BOARD

/s/ Allan T. Thoms

/s/ Susan J. Frye

ATTEST:

/s/ Raymond K. Vawter, Jr. /s/ Diane Munns
Executive Secretary

Dated at Des Moines, Iowa, this 19th day of August, 1999.